

Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 EA-07 IO-13 L-03 H-01 PRS-01

PA-01 AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07

NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02 LAB-04

EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01

/105 W

-----124355 200632Z /16

R 200531Z JUL 77

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 7712

INFO AMEMBASSY MANILA

LIMITED OFFICIAL USE COLOMBO 2492

FOR NAC AGENCIES: MANILA FOR USADB

E.O. 11652: N/A

TAGS: EAID, EFIN, CE

SUBJ: PROPOSED ADB LOAN TO SRI LANKA FOR CANYON HYDROPOWER
PROJECT

REF: (A) MANILA 10638; (B) COLOMBO 2209 (NOTAL);
(C) COLOMBO 2200 (NOTAL)

1. EMBASSY/USAID CONCUR WITH USADB RECOMMENDATION FOR FAVOR-
ABLE NAC ACTION ON THE SUBJECT LOAN.

2. FOR NAC AND USADB INFORMATION, IT SHOULD BE NOTED THAT
THE PROPOSED ADB LOAN APPEARS TO HAVE BEEN INDIRECTLY RE-
SPONSIBLE FOR A 48 HOUR ELECTRICAL POWER OUTAGE OVER THE EN-
TIRE ISLAND ON JUNE 25-27. POWER WAS KNOCKED OUT DURING THE
EVENING OF JUNE 25 AS A RESULT OF SABOTAGE BY TRADE UNION
WORKERS PROTESTING, AMONG OTHER THINGS, THE FIRING OF D.P.
CHANDRASINGHE, CHAIRMAN OF THE CEYLON ELECTRICITY BOARD, BY
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THE MINISTER OF IRRIGATION, POWER AND HIGHWAYS. THE EMBASSY
UNDERSTANDS THE CHAIRMAN WAS FIRED FOR OBJECTING TO THE USE
OF THE STATE DEVELOPMENT AND CONSTRUCTION CORPORATION (SDCC)
FOR THE CIVIL WORKS ON THE CANYON PROJECT (PARA 12, REFTTEL).
REPORTEDLY, THE CHAIRMAN WANTED TO SELECT A CONTRACTOR ON THE
BASIS OF INTERNATIONAL BIDDING AND WAS PREPARED TO GO TO
MANILA TO PRESENT HIS CASE BEFORE THE ADB. AS THE GOVERNMENT

HAD ALREADY DECIDED, AND THE ADB AGREED, THAT THE SDCC WOULD BE THE CONTRACTOR, THE CHAIRMAN FOUND HIMSELF OUT OF A JOB.

3. WHILE ALL OF THIS DOES NOT AFFECT SRI LANKA'S NEED FOR HYDROELECTRIC DEVELOPMENT OR THE UTILITY OF THE CANYON PROJECT, THE QUESTION OF WHO WILL PERFORM THE CIVIL WORKS MAY COME UP AGAIN AFTER THE JULY 21 GENERAL ELECTIONS.
PERKINS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOANS, ELECTRIC POWER
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
Legacy Key: link1977/newtext/t19770740/aaaabhnt.tel
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1809923
Secure: OPEN
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TAGS: EAID, EFIN, CE
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